

ABOUT YOUR CREDIT REPORT

What is a credit report (also known as a credit file or profile)?

It is a written report (stored in computers comprised of the following information about your personal credit worthiness and debt repayment history.

- **Identification** by name, address, spouse's name, date of birth, Social Security number, telephone number, place of employment, mother's maiden name, etc.
- **Credit inquiries** - every time a subscriber (credit provider) runs a credit report on a consumer, a record of the file inquiry is made. It will remain on the file in most states for one or two years. This is of interest to creditors because it reveals recent credit activity.
- **Information in public records and collection accounts** are also collected by (or reported) to these agencies. Public records include courthouse records, bankruptcies, judgments, law suits, criminal records, etc.
- **Credit history** - which includes the name and ID number of each subscriber who makes a report and your credit/debt repayment history. Also included is the date an account was opened, credit limits, current balance, monthly payment amount and payment frequency for the last 12-24 months. Records are dated with each request of entry. Other information includes, but is not limited to, consumer disputes, criminal convictions, individual liability or joint liability of accounts, co-maker or guarantor of payment on a certain account, secured accounts and charge offs (when a creditor has reported an unpaid balance as a loss).
- **Consumer statements** - a statement, not to exceed 100 words, regarding any account(s) an individual may wish to more accurately and completely explain, often very helpful to credit decisions.

When is a Credit File Created?

Usually when you make application for a loan or credit card or when a party who extended credit makes a report to their credit reporting service on your debt repayment.

Who can Legally Look at my Credit Report?

Credit reporting agency subscribers comprised of banks, other lenders, merchants extending credit, life insurance companies, companies on employment applications, rental leasing, security clearance, etc. may not access an individual's credit record unless disclosure is made that a credit report will be requested and in many instances must receive authorization from the consumer. This authorization is standard procedure when you sign an application in any of the above transactions. Read the fine print on the applications for more details.

How Often Should I Look at my Credit Report?

If you are actively using credit, using one or more credit cards with monthly or bimonthly charge activity, have installment loans(s), vehicle lease, etc. review your credit file every nine to twelve months, otherwise every 15 months is adequate.

What if I Need Help?

Avoid any type of credit repair firm or service. Do it yourself instead. It is easy and inexpensive.

THE TRUTH ABOUT CREDIT REPAIR

Accurate and timely information cannot be removed from your credit report, even if you have paid off a once delinquent debt. The fact that it is paid off is to your credit; however, the fact that the account was once delinquent is also true and can remain on your credit files from up to seven years.

Bankruptcy information can be reported for up to ten years. Information reported because of an application for a job with a salary of more than \$20,000 has no time limit. Information reported because of an application for more than \$50,000

worth of credit line or life insurance has no time limitation. Default information concerning a US Government insured or guaranteed loan can be reported for seven years after certain grantor actions. Information concerning a law suit or a judgment against you can be reported for seven years or until the statute of limitations runs out, whichever is longer.

No one can legally remove accurate and timely negative information from a credit report. The law does, however, allow consumer's to request an investigation or reinvestigation of the facts and information in your credit file that you dispute as inaccurate or incomplete. There is no charge for this information.

Credit repair clinics or services can't do anything to improve your credit report that you can't do for yourself, at little or no cost. Avoid companies that want you to pay for credit repair services **before** they provide any services. It is illegal for telemarketers who offer credit repair services to request payment until six months after they have delivered the service.

THE SCAM

Everyday companies nationwide appeal to consumers with poor credit histories. They promise, for a fee - usually paid up-front - to clean up your credit report so you can get a car loan, a home mortgage, insurance, or even a job.

The truth is, says the FTC, that they can't deliver on their promises and claims. According to hundreds of reports, consumers pay hundreds or thousands of dollars in up-front fees and these companies do nothing to improve your credit report, many credit repair companies simply vanish with the consumer's money.

These companies do not tell you your legal rights and what you can do yourself for free. They often recommend that you do not contact a credit bureau directly. Or they advise you to dispute all information on your credit report or to create a new credit identity which is illegal.

If you follow any illegal advice or commit fraud, you also may be subject to prosecution.

The Indiana Department of Financial Institutions,
Division of Consumer Credit has many other credit
related brochures available, such as:

Answers to Credit Problems
Applying for Credit
At Home Shopping Rights
Bankruptcy Facts
Buried in Debt
Car Financing Scams
Charge Card Fraud
Choosing A Credit Card
Co-Signing
Credit and Divorce
Credit and Older Consumers
Deep in Debt?
Equal Credit Opportunity
Fair Credit Reporting
Fair Debt Collection
Gold Cards
Hang up on Fraud
High Rate Mortgages
Home Equity Credit Lines
How to Avoid Bankruptcy
Indiana Uniform Consumer Credit Code
Look Before you Lease
Mortgage Loans
Repossession
Reverse Mortgage Loans
Rule of 78s – What is it?
Scoring for Credit
Shopping for Credit
Using Credit Cards
Variable Rate Credit
What is a Budget?
What is the DFI?

Call our toll-free number or write to the address on the cover
for a copy of any of the brochures listed or for further
consumer credit information.



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CREDIT REPORTING & SCAMS



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